

MINUTES

MONTANA SENATE 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By **CHAIRMAN JEFF MANGAN**, on February 8, 2005 at 3:26 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. Jeff Mangan, Chairman (D)
Sen. John Esp (R)
Sen. Kelly Gebhardt (R)
Sen. Kim Gillan (D)
Sen. Bob Hawks (D)
Sen. Rick Laible (R)
Sen. Lynda Moss (D)
Sen. Jerry O'Neil (R)
Sen. Jim Shockley (R)
Sen. Carolyn Squires (D)
Sen. Mike Wheat (D)

Members Excused: None.

Members Absent: None.

Staff Present: Jennifer Kirby, Committee Secretary
Leanne Kurtz, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 289, 1/26/2005; SB 290,
1/22/2005; SB 253, 1/26/2005
Executive Action: SB 195; SB 184; SB 116; SB 225; SB
222; SB 262

SEN. JEFF MANGAN, SD 12, GREAT FALLS told the committee that Local Government was the busiest class three committee in the Senate. He reviewed the schedule for the next two weeks. **SEN. MANGAN** informed the people present that he would like to move testimony along as quickly as possible in order to get to executive action. He asked witnesses to be as brief as possible. He told committee members that they had proxy forms on their desks and they needed to sign them.

HEARING ON SB 289

{Tape: 1; Side: A; Approx. Time Counter: 3.2}

Opening Statement by Sponsor:

SEN. RICK LAIBLE (R), SD 44, opened the hearing on **SB 289**, Exemption from city license fees or tax for certain occupations.

{Tape: 1; Side: A; Approx. Time Counter: 3.3 - 7}

SEN. LAIBLE introduced an amendment to his bill.

[EXHIBIT\(los31a01\)](#)

SEN. LAIBLE said that his bill was designed to clarify existing statutes regarding taxation by municipalities. **SEN. LAIBLE** reviewed the changes that the amendment made to the bill. He told the committee that the bill granted exception from local governmental taxation to real estate agents and brokers. He noted that the language was consistent with the statutes affecting chiropractors and veterinarians.

Proponents' Testimony:

{Tape: 1; Side: A; Approx. Time Counter: 7 - 12.5}

Glen Oppel, Montana Association of Realtors, explained that in December 2002, the city of Lewistown passed an ordinance that stated that in order to practice business in the city, a person must get a city license and pay a license fee except where that person is specifically exempted in state law. Failure to do so would result in a civil judgement against the offender and the city taking criminal action against the offender. **Mr. Oppel** said that real estate brokers and agents were exempted, except for licensing fees imposed by municipalities with self-governing powers. The local government of Lewistown used an attorney general's opinion to exempt themselves from the statute. **Mr. Oppel's** problems with the ordinance were that relators practice

in multiple cities and would end up paying multiple fees, that relators already pay a state license fee, and that other professions have already gotten the same protection under the law. **Mr. Oppel** passed out a memo that detailed the Attorney General's opinion that had been referred to.

EXHIBIT(los31a02)

Opponents' Testimony:

Alec Hansen, Montana League of Cities and Towns, opposed the bill because it would reduce the power of local governments. **Mr. Hansen** felt that local governments should have liberal control of their area and be subject to limited legislative oversight. **Mr. Hansen** said that the 1972 Constitutional Convention enacted the Powers Denied Act (7-1-11, MCA), which included the inability to tax real estate brokers and noted that the convention had mandated that local governments be consistent with state law. **Mr. Hansen** thought that state law already covered the problems. He said that local governments do not license the profession, they license the premises. **Mr. Hansen** feared that **SB 289** would affect the ability to require business licenses. He asked whether the tax changes with multiple Relators. **Mr. Hansen** stated that the bill was not needed and was designed to give relators special privileges.

Informational Testimony: None

Questions from Committee Members and Responses:

{Tape: 1; Side: A; Approx. Time Counter: 12.5 - 24.9}

SEN. MICHAEL WHEAT, SD 32, BOZEMAN asked the sponsor how many cities are assessing a license fee. **SEN. LAIBLE** answered that he did not know and referred it to **Mr. Oppel**. **Mr. Oppel** said it occurred in Lewistown and wanted to stop it before it became a problem elsewhere.

SEN. JOHN ESP, SD 31, BIG TIMBER questioned **SEN. LAIBLE** about the amendment and whether the concerns of **Mr. Hansen** were no longer viable. **SEN. LAIBLE** responded that it took away **Mr. Hansen's** objections.

SEN. ESP clarified that the entire section was removed from the bill. **SEN. LAIBLE** affirmed that it did.

SEN. BOB HAWKS, SD 33, BOZEMAN, wanted to know how **Mr. Hansen** differentiated between the two types of license fees and the

equatability of the fees. **Mr. Hansen** directed the committee to section 11 and commented that the amendment did reduce **Mr. Hansen's** problems with the bill. **Mr. Hansen** said that municipalities did not license Realtors, they licenses businesses. He wanted to ensure that Realtors are not permitted to exempt themselves from business fees.

SEN. MANGAN asked **SEN. LAIBLE** if it would be simpler to add the words "professional license fee" instead of "business license."

SEN. LAIBLE answered that the legislation was attempting to mirror already existing statutes.

Closing by Sponsor:

{Tape: 1; Side: A; Approx. Time Counter: 24.9 - 25.6}

SEN. LAIBLE stated that he believed the problem was Title 7 and the amendment clarifies and corrects the problem.

SEN. LAIBLE exited

SEN. MANGAN asked **SEN. KIM GILLAN, SD 24, BILLINGS,** to chair the next hearing.

HEARING ON SB 290

{Tape: 1; Side: A; Approx. Time Counter: 25.6}

Opening Statement by Sponsor:

SEN. JEFF MANGAN (D), SD 12, opened the hearing on **SB 290,** Revise sanitation review for subdivisions.

{Tape: 1; Side: A; Approx. Time Counter: 25.6 - end of tape}

SEN. MANGAN noted that **SB 290** was the "sanitation sister" to **SEN. LAIBLE's** subdivision bill, **SB 116.** He explained that during the interim, the Education and Local Government Interim Committee worked on both bills. The working group had reached consensus and **SEN. MANGAN** carried it this session. He called it a compromise bill and felt that it clarified current law. It helped counties determine how much information to require at the preliminary plat stage of subdivision review. **SEN. MANGAN** explained that the bill requires subdividers to submit preliminary water and sanitation information as part of their preliminary application. It required local governments to submit the information to the Department of Health. It mandated that local governments take public comments on water and sanitation and pass the comments on to the Department of Health and the Department of Environmental Quality.

The bill allows local governments to adopt more stringent guidelines than the Department of Environmental Quality. It gives authority for the Department of Environmental Quality to require subdividers to prove adequate water source and draining before granting approval. **SEN. MANGAN** stated that this was a consensus bill and everyone was working together. He felt that the bill reduced confusion and made sanitation and subdivisions clearer and more concise for local governments. **SEN. MANGAN** reserved the right to close.

Proponents' Testimony:

{Tape: 1; Side: B; Approx. Time Counter: 0.1 - 6.4}

Michael Kakuk, Montana Association of Realtors, stood in support of the bill and handed out a memo detailing why.

EXHIBIT(los31a03)

Tim Davis, Montana Smart Growth Coalition, said that there were several "tweaking" amendments but they supported the bill. He committed to consolidating the changes and facilitating the amendment process.

Myra Shults, Montan Association of Counties, supported the bill. She passed out the Attorney General's opinion that **SEN. MANGAN** mentioned.

EXHIBIT(los31a04)

Jim Carlson, Missoula City-County Health Department, read his testimony into the record.

EXHIBIT(los31a05)

Mr. Carlson gave the committee a letter of support from **Joseph Russell, Flathead City-County Health Department**.

EXHIBIT(los31a06)

Tammy McGill, Montana Association of Planners, supported **SB 290**.

Harold Blattie, Montana Association of Counties, supported the bill because it provides for public comment. He explained that counties are currently caught in a litigation crisis and the bill would guard against future problems.

Byron Roberts, Montana Building Industries Association, went on record in support of **SB 290**.

John Prinkki, Montana Association of Counties and Carbon County, encouraged the committee to support **SB 290**.

Ann Hedges, Montana Environmental Information Center, appreciated the addition of public comment in the sanitation process.

James Kembel, Montana Association of Registered Land Surveyors, supported the need to resolve the Attorney General's opinion.

Opponents' Testimony:

{Tape: 1; Side: B; Approx. Time Counter: 6.4 - 10}

Bill Gallagher stood in opposition to **SB 290**. He told the committee that he was a third-year law student at the University of Montana and had recently done extensive research on the topic. He mentioned that none of his comments were meant to reflect negatively on the work of the committee. **Mr. Gallagher** discussed the new Section 4. He said that it shifted the risk of the developer earlier in the process and would encourage people to develop their property under one of the exempt laws. He maintained that **SB 290** would not solve the problems with the Attorney General's opinion 497. He said that the public comment aspects of the bill were designed to placate the public because people would not get the opportunity to comment on the information actually submitted to the Department of Environmental Quality. **Mr. Gallagher** declared that **SB 290** was too complex and cumbersome. He recommended that the management of the issue be left at the county level.

Informational Testimony:

{Tape: 1; Side: B; Approx. Time Counter: 10 - 10.5}

Jon Dilliard, Department of Environmental Quality, noted that he was available for questioning.

Questions from Committee Members and Responses:

{Tape: 1; Side: B; Approx. Time Counter: 10.5 - 18.6}

SEN. ESP asked **Mr. Dilliard** what the difference was between the preliminary process and the rest of the studies. **Mr. Dilliard** referred the question to **Ray Lazuk, Department of Environmental Quality**. **Mr. Lazuk** said that the Section 4 requirements were a

subset of the Department of Environmental Quality's requirements. The full analysis would be required in the preliminary plat stage but a developer would not have to repeat the process for the Department of Environmental Quality's review.

SEN. ESP wanted to know if it was possible for a developer to do all the preliminary work including paying for water and sanitation reviews and then have the subdivision refused by the county. **SEN. MANGAN** answered that it was theoretically possible but wouldn't be a prevalent problem.

SEN. ESP questioned **SEN. MANGAN** about how **SB 290** coordinated with the other subdivision bills that had been presented to the committee. **SEN. MANGAN** said that the bill worked well with the other bills that had come through the committee. He was unsure about any bills in other committees.

SEN. ESP asked **Mr. Davis** about the amount of preliminary work that would go to waste if the subdivision was refused. **Mr. Davis** directed **SEN. ESP** to the new Section 4. He noted that the section did not require full analysis, only a preliminary analysis. He commented that Section 4 directed the subdividers to show a "representative drainfield." **Mr. Davis** concluded that the bill would require a representative picture but not in-depth analysis.

SEN. HAWKS wanted to know whether **Mr. Davis** thought that there was potential, as **Mr. Gallagher** suggested, for developers to circumvent the system because of the new regulations. **Mr. Davis** respectfully disagreed with **Mr. Gallagher**. He contended that **SB 290** did not create any additional exemptions for minor subdivisions or loopholes. He said that **SB 290** would require more preliminary analysis but not all the analysis.

Closing by Sponsor:

{Tape: 1; Side: B; Approx. Time Counter: 18.6 - 20.3}

SEN. MANGAN told the committee that they had worked on the bill for over a year and were very excited for its passage. He informed the committee that time was an issue with development last session and that **SB 290** would reduce the wasted time with subdivisions. He said that **SB 290** made the law clearer, more concise, and more consistent.

HEARING ON SB 253

{Tape: 1; Side: B; Approx. Time Counter: 20.4}

Opening Statement by Sponsor:

SEN. JERRY O'NEIL (R), SD 3, opened the hearing on **SB 253**, Revise municipal voting to include residents of planning and zoning jurisdiction.

{Tape: 1; Side: B; Approx. Time Counter: 20.4 - 22.2}

SEN. O'NEIL said that his bill was about fairness and equity. He explained that presently municipalities are allowed to put planning and zoning regulations on people that live outside of the city. However, these people are not permitted to vote in city elections. **SEN. O'NEIL** stated that his bill would allow the people to vote. He noted that the bill may require an amendment to deal with the issue of wards.

Proponents' Testimony: None

Opponents' Testimony:

{Tape: 1; Side: B; Approx. Time Counter: 22.2 - 27.9}

Alec Hansen, Montana League of Cities and Towns, opposed the bill because it would split up the franchise. He thought that it was unfair to give the same representation and benefits to people that do not live in the town as is given to full-time residents who pay taxes and benefit the municipality. **Mr. Hansen** commented that the city regulations only apply to planning and zoning. He stated that the extra-territorial areas have the same rights as the general public when it came to zoning. They could attend the public hearings and protest, the same as any other citizen. **Mr. Hansen** was opposed to the creation of a secondary level of citizenship and voting rights. He suspected that the problem was limited to Flathead County anyway and **SB 253** would be problematic when it came to wards.

Harold Blattie, Montana Association of Counties, stood in opposition to **SB 253**. He was sympathetic to the problems with disenfranchisement but feared that the bill would create enormous administrative problems and expense.

Tammy McGill, Montana Association of Planners, opposed the bill. She pointed out that if citizens want to vote in city elections then they can ask to be annexed by the city. She noted that the bill may have negative effects on the Quality Growth Act. **Ms. McGill** stated that there would be conflicts because of overlap in voting.

Informational Testimony: None

Questions from Committee Members and Responses:

{Tape: 1; Side: B; Approx. Time Counter: 27.9 - 29.5}

SEN. JIM SHOCKLEY, SD 45, VICTOR asked **Mr. Hansen** if he thought that it was fair for a property owner to have a say in the city's control of his property. **Mr. Hansen** responded that there were other means of influencing the planning and zoning boards. They had the same rights as residents, through public meetings and hearings.

Closing by Sponsor:

{Tape: 1; Side: B; Approx. Time Counter: 29.5 - 31.1}

SEN. O'NEIL said that it was his belief that city residents were allowed to vote for county commissioners and so county residents should be able to vote for city positions if the city had influence over their property. He noted that city officials would be far more responsive to their constituents, instead of county residents. He stated that they should have a vote in who was on the planning boards. **SEN. O'NEIL** contended that the administrative problems had been exaggerated.

SEN. MANGAN resumed his position as chairman of the committee.

{Tape: 2; Side: A; Approx. Time Counter: 2 - 21.3}

EXECUTIVE ACTION ON SB 195

Motion: **SEN. WHEAT** moved that SB 195 DO PASS.

Motion: **SEN. WHEAT** moved that SB 195 BE AMENDED with SB019501.alk

[EXHIBIT](#)(los31a07)

Discussion: **SEN. WHEAT** reviewed the amendment. He noted that it was a consensus amendment and had been agreed to by all the involved parties. **Tim Davis, Montana Smart Growth Coalition**, summarized the amendment. He said that the concerns brought up in the hearing had been addressed. He commented that **SEN. ESP** had brought up a small amendment that had not been addressed. **SEN. WHEAT** promised that they would add **SEN. ESP's** amendments next. **SEN. GILLAN** wanted to know if her concern about the definition of growth area had been addressed. **SEN. WHEAT** directed her to the

section of the amendment that dealt with her concern. **SEN. ESP** thought that a portion of the bill may be unworkable as the quality growth area could not exceed the old town's density. **SEN. ESP** stated that there was no way to ensure that the density was not greater.

SEN. SQUIRES exited.

Vote: Motion carried unanimously by voice vote. **SEN. SQUIRES** voted aye by proxy. **SEN. LAIBLE** voted aye by proxy.

Motion: **SEN. WHEAT** moved that SB 195 BE AMENDED.

Discussion: The amendment was a conceptual amendment. **SEN. WHEAT** inserted an "s" after "method" on page 2, paragraph 11 and deleted the word "a" prior to similar so the amendment read "or similar, mutually-accepted methods." The second half of the amendment was on page 2, paragraph 13. **SEN. WHEAT** added "are in addition to any fees adopted to cover the cost of application, processing, and..."

Vote: Motion carried unanimously by voice vote. **SEN. SQUIRES** voted aye by proxy. **SEN. LAIBLE** voted aye by proxy.

Motion: **SEN. WHEAT** moved that SB 195 DO PASS AS AMENDED.

Discussion: **SEN. ESP** reiterated his concern about the section on density. **SEN. WHEAT** promised to continue to track the issue and work with all sides to ensure the section did not become a problem. **SEN. O'NEIL** wanted to know if the bill would allow cities to have power over adjacent property without having to annex the area. **SEN. WHEAT** responded that the main purpose of the bill was to encourage cities and counties to work together to plan for growth. **SEN. ESP** gave North 19th Street in Bozeman as an example of the density problem. **SEN. GILLAN** wanted to make sure that the bill coordinates with the impact fee bill. **SEN. WHEAT** said that they should discuss the two bills with **Mr. Davis** and **Mr. Michael Kakuk, Montana Association of Realtors**, as they were working extensively on both bills. **SEN. HAWKS** commented that he had previously shared **SEN. GILLAN's** concern but presently thought that the two bills dovetailed nicely into one another.

Vote: Motion carried 9-2 by voice vote with **SEN. O'NEIL** and **SEN. ESP** voting no. **SEN. SQUIRES** voted aye by proxy. **SEN. LAIBLE** voted aye by proxy.

SEN. MANGAN passed the gavel to **SEN. SHOCKLEY** to chair the next executive action.

{Tape: 2; Side: A; Approx. Time Counter: 21.3 - end of tape}

{Tape: 2; Side: B; Approx. Time Counter: 1.6 - end of tape}

EXECUTIVE ACTION ON SB 184

Motion: SEN. MANGAN moved that SB 184 DO PASS.

Motion: SEN. MANGAN moved that SB 184 BE AMENDED with
SB018402.alk

EXHIBIT(los31a08)

SEN. SQUIRES entered.

SEN. LAIBLE entered.

Discussion: SEN. MANGAN noted that the local option tax subcommittee, which was chaired by SEN. WHEAT, had written the amendment. SEN. WHEAT reviewed the amendment. SEN. SQUIRES wanted to know what the breakdown was for Missoula. SEN. SHOCKLEY asked her to allow SEN. WHEAT to finish explaining the amendment first. SEN. WHEAT commented that they had not done the breakdown for Missoula, they had used Bozeman as an example. He resumed explaining how the distribution would occur with the amendment. SEN. MANGAN informed the committee that the bill would be permissive in regards to resort areas. The resorts could choose to dissolve the resort tax and pass a tax under SB 184 or they could continue with the resort taxes. SEN. WHEAT added that the bill prohibited the creation of any more resort tax areas. SEN. SQUIRES asked again how the bill affected Missoula. SEN. MANGAN explained that if Missoula was to adopt the local option sales tax, eighty percent would go to the city of Missoula, ten percent would be distributed regionally and another ten percent would be distributed to the subregion as described in the bill and based on population. SEN. MANGAN noted that if other cities or counties in the region passed a local option sales tax, ten to twenty percent would be distributed to Missoula. SEN. ESP asked if the original proposal was for thirty percent to be distributed. SEN. MANGAN answered that originally the numbers were eighty- twenty- ten - which was a mistake. SEN. ESP wanted to know if SEN. MANGAN would consider seventy- twenty- ten. SEN. MANGAN said that they could look at that next. SEN. HAWKS asked SEN. WHEAT to clarify that the bill would prevent future resort communities and what would be the impact of just having raised the population lid in the Senate. SEN. WHEAT said that if both bills passed, the resort communities would be there and population capped.

Motion: SEN. MANGAN CALLED THE QUESTION ON AMENDMENT SB018402
FOR SB 184.

Vote: Motion carried 6-5 by voice vote with SEN. ESP, SEN. GEBHARDT, SEN. LAIBLE, SEN. O'NEIL, and SEN. SHOCKLEY voting no.

Motion: SEN. MANGAN moved that SB 184 BE AMENDED with SB018403.

Discussion: Leanne Kurtz, Legislative Services, explained the amendment. SEN. WHEAT said that the amendment would encourage property tax relief and prevent the increase of mill levies.

Motion: SEN. MANGAN CALLED THE QUESTION ON AMENDMENT SB018403 FOR SB 184.

Vote: Motion carried unanimously by voice vote.

Motion: SEN. ESP moved that SB 195 BE AMENDED with a conceptual amendment.

SEN. WHEAT exited.

Discussion: The amendment would change paragraph 11, section i and ii; it striking "eighty percent" and replacing it with "seventy percent" and striking "ten percent" and replacing it with "twenty percent." SEN. MANGAN admitted that a mistake had been made in the original writing of that bill and asked for a compromise. SEN. ESP wanted more regional distribution but agreed to SEN. MANGAN's substitute motion.

Substitute Motion: SEN. MANGAN made a substitute motion that SB 184 BE AMENDED with a different conceptual amendment.

SEN. MOSS exited.

Discussion: The amendment would change paragraph 11. section i and ii; striking "eighty percent" and replacing it with "seventy five percent" and striking "ten percent" and replacing it with "fifteen percent." SEN. LAIBLE asked what the definition of the regions were. SEN. MANGAN directed him to the section in the bill. SEN. HAWKS wanted to know what the rational behind the percentages were. SEN. MANGAN answered that there was some historical significance but that it was mostly the sponsor's preference. SEN. SQUIRES questioned SEN. MANGAN if Missoula passed a local option sales tax, they would have to share with Ravalli county. SEN. MANGAN directed her to page five, which listed the regions and subregions. SEN. SQUIRES said that the counties in her region were not likely to pass local option taxes and therefore, Missoula, would still have to share with the other counties but would not receive any revenue in return. SEN. ESP explained that people in the region would most likely do their

shopping in the main cities, so they would be paying a portion of that city's local option tax and so the regional residents should get some of the revenue that the local option tax garnered, in that case. **SEN. GILLAN** asked if the subregions were based on trading areas. **SEN. MANGAN** referred the question to **Alec Hansen, League of Cities and Towns**. **Mr. Hansen** said they looked at circulation of major daily newspapers and various demographic maps to determine where people were most likely doing their shopping.

Motion: **SEN. MANGAN CALLED THE QUESTION ON THE CONCEPTUAL AMENDMENT FOR SB 184.**

Vote: Motion carried 6-5 by voice vote with **SEN. ESP**, **SEN. GEBHARDT**, **SEN. LAIBLE**, **SEN. O'NEIL**, and **SEN. SHOCKLEY** voting no.

Motion: **SEN. MANGAN** moved that SB 184 DO PASS AS AMENDED.

Discussion: **SEN. GILLAN** expressed her strong support for the bill. She asked someone to come up with a theoretical situation of the implementation of the local option tax, to more easily explain the process on the Senate floor. **SEN. SHOCKLEY** said that **Mr. Hansen** had volunteered. **SEN. ESP** expressed his concern that the bill was a "first-come-first-served" and that the counties and cities would be racing each other to implement the local option tax first. **SEN. SHOCKLEY** asked **SEN. GILLAN** if the voters that voted down the local option tax in her district were also her constituents. **SEN. GILLAN** answered that they were and that her constituents favored a state-wide sales tax first but as that was not going to pass, they would settle for the local option tax. **SEN. MANGAN** felt that the bill was flexible enough to allow local governments to figure out the issues and determine what would be the best for both the cities and the counties. **SEN. MANGAN** apologized again for the mistake in percentages. He noted that they resolved the issues with resort areas. **SEN. MANGAN** commented on the amendment regarding property tax relief and said they had strengthened the property tax relief.

Vote: Motion carried 8-3 by roll call vote with **SEN. GEBHARDT**, **SEN. O'NEIL**, and **SEN. SHOCKLEY** voting no. **SEN. MOSS** voted aye by proxy. **SEN. WHEAT** voted aye by proxy.

SEN. MANGAN resumed his position as chairman of the committee. **SEN. SHOCKLEY** exited.

EXECUTIVE ACTION ON SB 116

{Tape: 3; Side: A; Approx. Time Counter: 0.1 - 23.9}

Motion: SEN. LAIBLE moved that SB 116 DO PASS.

Motion: SEN. LAIBLE moved that SB 116 BE AMENDED with SB011601.

EXHIBIT(los31a09)

Discussion: SEN. LAIBLE handed out a gray bill that incorporated the amendment with SB 116.

EXHIBIT(los31a10)

SEN. LAIBLE said that SB 116 had unanimous support of the subcommittee and working group. Ms. Kurtz explained how the amendment changed the bill and reviewed the gray bill. She noted that the applicability date changed in the amendment. SEN. HAWKS wanted to know if the amendment covered the problems associated with the starting date and how it would be triggered with new information. Ms. Kurtz said that it was covered in Section 9.

Motion: SEN. GILLAN CALLED THE QUESTION ON AMENDMENT SB011601.

Vote: Motion carried unanimously by voice vote. SEN. SHOCKLEY voted aye by proxy.

Motion: SEN. LAIBLE moved that SB 116 DO PASS AS AMENDED.

SEN. SHOCKLEY entered.

Discussion: SEN. GILLAN questioned whether SB 116 should reference other regulations, especially the Quality Growth Act. Ms. Kurtz answered that if the bill passed, they would reference other regulations. SEN. GILLAN noted that the bill did state local regulations but did not state "Quality Growth Act." Mr. Kakuk said that it was implicit in the bill and would reference the Quality Growth Act if it was necessary. SEN. ESP wanted to know what Page 16, Section 13 actually did. Ms. Kurtz explained that the section mandates what local governments must provide to the developer and the public if they deny subdivision approval. SEN. ESP said that he was confused as to whether it referenced the preliminary plat process or the application denial. The question was referred to Myra Shults, Montana Association of Counties. Ms. Shults answered that they had decided to change it to the preliminary plat approval to give more discretion to local governments.

Motion: SEN. SQUIRES CALLED THE QUESTION ON SB 116.

Vote: Motion carried unanimously by voice vote. SEN. MOSS voted aye by proxy. SEN. WHEAT voted aye by proxy.

EXECUTIVE ACTION ON SB 225

{Tape: 3; Side: A; Approx. Time Counter: 23.9 - 30.1}

Motion: SEN. LAIBLE moved that SB 225 DO PASS.

Discussion: SEN. ESP explained that the bill allowed counties to invest more than \$100,000 dollars in one county and still be insured by the federal reserve. It allowed counties to invest more and leverage a better rate. SEN. GEBHARDT informed the committee that currently, counties have to spread out their money over numerous banks. SEN. O'NEIL asked about subsection (3)(E) meant. SEN. SHOCKLEY went over the process, giving the example that a county invests \$500,000 in Farmer's State Bank and under SB 225, Farmer's State Bank could negotiate with four other banks around the country to take a portion of that \$500,000 so that each bank had \$100,000 and was federally insured. Then Farmer's State Bank would trade \$100,000 in deposits of the other four banks so Farmer's would end up with \$500,000 but in five separate accounts.

SEN. SQUIRES exited.

Motion: SEN. LAIBLE CALLED THE QUESTION ON SB 225.

Vote: Motion carried unanimously by voice vote. SEN. MOSS voted aye by proxy. SEN. SQUIRES voted aye by proxy. SEN. WHEAT voted aye by proxy.

EXECUTIVE ACTION ON SB 222

{Tape: 3; Side: B; Approx. Time Counter: 2.1 - 3.1}

Motion/Vote: SEN. SHOCKLEY moved that SB 222 DO PASS. Motion carried unanimously by voice vote. SEN. MOSS voted aye by proxy. SEN. SQUIRES voted aye by proxy. SEN. WHEAT voted aye by proxy.

EXECUTIVE ACTION ON PROPOSED COMMITTEE BILL

{Tape: 3; Side: B; Approx. Time Counter: 3.1 - 4.1}

SEN. MANGAN reminded the committee that SEN. SAM KITZENBERG, SD 18, GLASGOW, asked them to sponsor a committee bill.

Motion: SEN. MANGAN moved that committee draft a bill to mandate a interim study of County Attorneys as presented by SEN. KITZENBERG.

Vote: Motion failed by voice vote.

EXECUTIVE ACTION ON SB 262

{Tape: 3; Side: B; Approx. Time Counter: 4.1 - 8.7}

Motion: SEN. SHOCKLEY moved that SB 262 DO PASS.

Motion/Vote: SEN. GEBHARDT moved that SB 262 BE AMENDED WITH SB026201.

EXHIBIT(los31a11)

Discussion: SEN. GEBHARDT explained that the amendment would change it so SB 262 applied only to zoning. Ms. Kurtz noted that the amendment also removed subsection (7)(D) on page 3.

Vote: Motion carried unanimously by voice vote. SEN. MOSS voted aye by proxy. SEN. SQUIRES voted aye by proxy. SEN. WHEAT voted aye by proxy.

Motion: SEN. LAIBLE moved that SB 262 DO PASS AS AMENDED.

Substitute Motion/Vote: SEN. GILLAN made a substitute motion that SB 262 BE TABLED. Substitute motion carried 6-5 by voice vote with SEN. ESP, SEN. GEBHARDT, SEN. LAIBLE, SEN. O'NEIL, and SEN. SHOCKLEY voting no. SEN. MOSS voted aye by proxy. SEN. SQUIRES voted aye by proxy. SEN. WHEAT voted aye by proxy.

ADJOURNMENT

Adjournment: 6:04 P.M.

SEN. JEFF MANGAN, Chairman

JENNIFER KIRBY, Secretary

JM/jk

Additional Exhibits:

EXHIBIT ([los31aad0.PDF](#))